Fiscal Estimate - 2009 Session

Original Dpdated	Corrected Supplemental					
LRB Number 09-3799/1	Introduction Number AB-0555					
Description Correcting the 2009 equalized valuation of property in the city of Milton						
Fiscal Effect						
State: No State Fiscal Effect Indeterminate Appropriations Appropriations Appropriations Appropriations Appropriations Create New Appropriations No Local Government Costs Indeterminate 1. Increase Costs And be possible to absorb within agency's budget to absorb within agency's budget because Increase Costs Decrease Costs State: Increase Existing Revenues Appropriations Revenues Decrease Costs Increase Costs State: Increase Costs - May be possible to absorb within agency's budget because Increase Costs Increase Costs Increase Costs Indeterminate Increase Revenue Permissive Mandatory Increase Revenue Permissive Mandatory Increase Costs Increase Costs Increase Costs Increase Costs Increase Revenue Permissive Mandatory Increase Revenue Increase Costs Increase Costs Increase Costs Increase Revenue Increase Costs Increase Costs Increase Revenue Increase Costs Increase						
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS						
Agency/Prepared By	Authorized Signature Date					
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Fiscal Estimate Narratives DOR 12/3/2009

LRB Number	09-3799/1	Introduction Number	AB-0555	Estimate Type	Original		
Description							
Correcting the 2009 equalized valuation of property in the city of Milton							

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) annually determines the equalized value (full value of taxable property) of every municipality in the state. Equalized value is used by multi-municipality entities (such as counties, school districts, and technical college districts) to allocate their property tax levy to their constituent municipalities. If an error is discovered in a given year's equalized value, the error is corrected by adjusting the next year's equalized value. Thus, an error in the 2009 equalized value would be corrected by adjusting the 2010 equalized value.

Under the bill, the adjustment for an error discovered in the 2009 equalized value for the City of Milton and its Tax Incremental Financing District #8 (Milton TIF #8) would be made to the 2009 values. The DOR would therefore increase the 2009 equalized value of the City of Milton excluding tax incremental values (the "tif out" value) by \$31,610,400, and reduce the value increment (current equalized value minus base equalized value) of Milton TIF #8 by \$31,610,400. DOR would also increase the "tif out" value of the Milton School District, Rock County, and Blackhawk Technical College by \$31,610,400.

Under current law, the correction would affect the allocation of the 2010/11 property tax levies of the Milton School District, Rock County, and Blackhawk Technical College. Under the bill, the adjustment would occur for the 2009/10 property tax levy. The bill would increase the property tax levies allocated to the City of Milton and decrease the property tax levies allocated to other municipalities in the overlying jurisdictions for the 2009/10 property tax year as follows: Milton School District, \$198,891; Rock County, \$169,801; and Blackhawk Technical College, \$53,136. The total shift in taxes is \$420,828 to the City of Milton from other municipalities in the overlying jurisdictions.

The Department of Revenue's administrative costs under the bill will be absorbed within existing budgetary authority.

Local governemnt costs would increase since municipalities would likely need to reissue property tax bills if this bill were enacted.

Long-Range Fiscal Implications